



HIDDEN IN PLAIN SIGHT SITE

MODERN SLAVERY IN THE CONSTRUCTION INDUSTRY

SHORT GUIDE

EXECUTIVE SUMMARY

An estimated 7 per cent of the global workforce works in construction. Many millions of people building homes, offices and infrastructure. The work is often hard, manual labour. A proportion of them do not do this out of free will; they are forced to work and are exploited.

More than 45 million people are estimated to be entrapped in modern slavery across the world. They are deprived of their freedom for the personal or financial gain of their exploiter. They end up in this situation either by deception or coercion.

This crime occurs on any continent, in any country; anywhere exploiters try to make money out of people who are vulnerable. Exploitation for forced labour is one of the key types of modern slavery. Labour-intensive sectors where temporary and irregular work are common, as well as low-skilled and low-waged jobs, are considered high-risk sectors for forced labour. The construction sector fits this description in regard to labour in the industry and procurement of building materials. Both areas are at risk and known to be affected.

Due to the hidden nature of modern slavery and the complexity of construction supply chains, identifying and addressing the issue is complicated. A range of stakeholders have roles to play. The 'Protect, Respect and Remedy' framework in the United Nations Guiding Principles on Business and Human Rights provides structure:

- **State Duty to Protect human rights:** Governments need to put in place regulation and legislation as a legal framework for accountability and prosecution. The United Kingdom and United States have introduced laws in the last few years that are viewed as game changers. Some other countries are in the process of passing laws on transparency in supply chains and modern slavery.
- **Corporate Responsibility to Respect human rights:** Construction companies can play a key role by identifying, mitigating and preventing modern slavery in their operations and supply chains. This report points out key steps businesses can take to tackle the issue, across a range of roles and departments within businesses. Taking these steps is an opportunity as well as a need for businesses.
- **Access to Remedy for victims:** Construction companies and governments should put in place effective remediation measures.

Investors, civil society and the media are other stakeholders that have a role to play by influencing the private and public sectors to fulfil their duties. With benchmarking becoming more common, all these stakeholders have already used their power to have an impact on tackling modern slavery in industries that more customer-facing than construction. Now it is time to also address modern slavery in the construction sector.

BACKGROUND/METHODOLOGY

The aim of this report is to bring attention to the issue of modern slavery in the construction industry across the world.

Desk research and expert insights have set the framework for this research. In addition, media analysis has contributed to the report. The media analysis was based on articles identified in the LexisNexis Human Trafficking Awareness Index relating to modern slavery and the construction industry, in particular in the period 1 January 2015 to 31 May 2016.

This approach was taken because it recognises the limitations of research on this issue solely based on media analysis, which could lead to distribution of inaccurate information provided by journalists, overrepresentation and sensationalism of certain topics and underrepresentation of others. However, if handled appropriately,

using media coverage from the licensed collection of almost 6,000 of the most influential news sources from more than 100 countries, the LexisNexis Human Trafficking Awareness Index is a real asset to highlight this global crime.

In this report we explore modern slavery in the construction industry by:

- › Analysing the issue related to labour.
- › Shedding light on the risks related to procurement of building materials.
- › Illustrating the risks and reality of this issue across the world by setting out a range of recent examples from different regions.*
- › Examining relevant global and national regulation and legislation.
- › Identifying the roles businesses, governments and other stakeholders can play in tackling modern slavery in this industry.

*Please note that due to the scope of this report not every country and incident that has happened in recent years has been included.



FACTS AND FIGURES ON MODERN SLAVERY

Modern slavery is a largely hidden crime. Data on the scale of the problem is scarce and gathering it is difficult.

The most recent and reputable estimates:

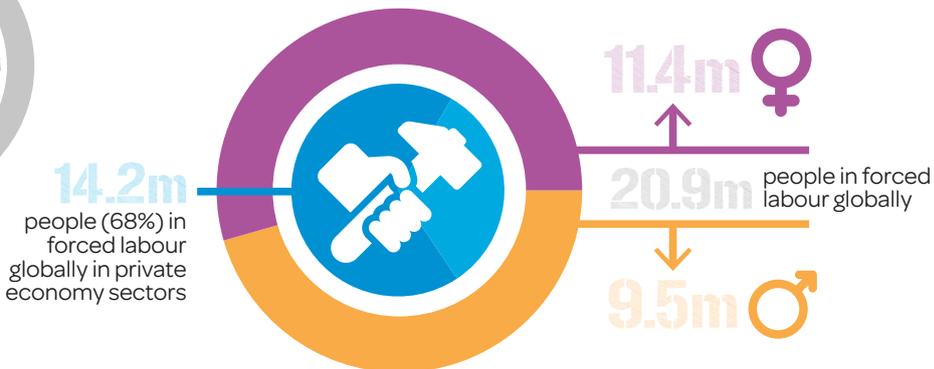


45.8m
people in
modern slavery
across the world

› In 2012 the International Labour Organization (ILO) estimated that there were 20.9 million persons in forced labour globally: 11.4 million women and girls, and 9.5 million men and boys. The figure included 14.2 million people (68%) in private economy sectors such as construction, manufacturing, mining, utilities, agriculture, forestry, fishing and domestic work. Based on this estimate, “at any given point in time around three out of every 1,000 persons worldwide are suffering in forced labour”.¹¹

› The 2016 Global Slavery Index by the Walk Free Foundation estimates that there are 45.8 million people in modern slavery across the world.¹²

Human trafficking is one of the fastest-growing criminal industries.¹³ Forced labour in the private economy generates US\$150 billion in illegal profits annually, the ILO said in 2014. Two thirds, or US\$99 billion, of this trade is commercial sexual exploitation. Another US\$51 billion results from forced economic exploitation.¹⁴



MODERN SLAVERY IN THE CONSTRUCTION INDUSTRY: THE ISSUE

The construction sector employs 7% of the global workforce, estimates Building and Wood Workers International.¹⁵

According to the ILO, of the US\$150 billion profit generated annually by forced economic exploitation around the world, US\$34 billion (23%) is made in the construction, manufacturing, mining and utilities industries.¹⁶

In a 2015 research report by the European Union, construction was number two on the list of economic sectors in the EU most prone to labour exploitation. Of the 21 countries that participated in the

research, nine identified the construction sector as having the highest risk of labour exploitation.¹⁷

The construction industry is one of the sectors most vulnerable to modern day slavery. One reason is its high demand for low-skilled, manual, low-waged work, which has been identified as likely to be subjected to forced labour.¹⁸ Also, temporary agency work is common. Workers filling such jobs are often poorly educated and lack decent work options.¹⁹ Thirdly, long and complex supply chains, stretching across many countries and many stakeholders are prevalent in the construction industry.

To provide insight, this paper includes a range of examples from around the world.

The construction industry has two elements with a high risk of involving modern slavery: labour and procurement of building materials and products.





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Jantine, who has expertise in research, strategy development, stakeholder relations, project management and communications, has been dealing with anti-human trafficking and modern slavery issues for more than six years.

She works as a freelance consultant and for Stronger Together, a business-led, multi-stakeholder initiative whose purpose is to tackle modern slavery within business operations and supply chains. Previously, she worked in the NGO sector, with partners from the private sector, government and civil society. She has designed and implemented projects in a range of countries in Europe, Asia, North and South America.